

PATENT COOPERATION TREATY

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INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

(Chapter II of the Patent Cooperation Treaty)

REC'D 04 MAY 2006

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(PCT Article 36 and Rule 70)

Applicant's or agent's file reference P23745PCAU	FOR FURTHER ACTION		See Form PCT/IPEA/416
International application No. PCT/AU2005/000449	International filing date (<i>day/month/year</i>) 29 March 2005	Priority date (<i>day/month/year</i>) 29 March 2004	
International Patent Classification (IPC) or national classification and IPC Int. Cl. H04L 9/00 (2006.01) G06F 13/00 (2006.01)			
Applicant SMART INTERNET TECHNOLOGY CRC PTY LIMITED et al			

1. This report is the international preliminary examination report, established by this International Preliminary Examining Authority under Article 35 and transmitted to the applicant according to Article 36.

2. This REPORT consists of a total of 3 sheets, including this cover sheet.

3. This report is also accompanied by ANNEXES, comprising:

a. (*sent to the applicant and to the International Bureau*) a total of sheets, as follows:

sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications authorized by this Authority (see Rule 70.16 and Section 607 of the Administrative Instructions).

sheets which supersede earlier sheets, but which this Authority considers contain an amendment that goes beyond the disclosure in the international application as filed, as indicated in item 4 of Box No. I and the Supplemental Box.

b. (*sent to the International Bureau only*) a total of (indicate type and number of electronic carrier(s)) , containing a sequence listing and/or table related thereto, in electronic form only, as indicated in the Supplemental Box Relating to Sequence Listing (see Section 802 of the Administrative Instructions).

4. This report contains indications relating to the following items:

<input checked="" type="checkbox"/> Box No. I	Basis of the report
<input type="checkbox"/>	Box No. II Priority
<input type="checkbox"/>	Box No. III Non-establishment of opinion with regard to novelty, inventive step and industrial applicability
<input type="checkbox"/>	Box No. IV Lack of unity of invention
<input checked="" type="checkbox"/> Box No. V	Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
<input type="checkbox"/>	Box No. VI Certain documents cited
<input type="checkbox"/>	Box No. VII Certain defects in the international application
<input type="checkbox"/>	Box No. VIII Certain observations on the international application

Date of submission of the demand 19 January 2006	Date of completion of this report 18 April 2006
Name and mailing address of the IPEA/AU AUSTRALIAN PATENT OFFICE PO BOX 200, WODEN ACT 2606, AUSTRALIA E-mail address: pct@ipaaustralia.gov.au Facsimile No. (02) 6285 3929	Authorized Officer DALE E. SIVER Telephone No. (02) 6283 2215

INTERNATIONAL PRELIMINARY REPORT ON PATENTABILITY

International application No.

PCT/AU2005/000449

Box No. V	Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
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1. Statement

Novelty (N)	Claims 1 – 69	YES
	Claims	NO
Inventive step (IS)	Claims 1 – 69	YES
	Claims	NO
Industrial applicability (IA)	Claims 1 – 69	YES
	Claims	NO

2. Citations and explanations (Rule 70.7)

The features of claims 1 – 69 are novel and inventive as the prior art fails to disclose a DRM system where usage rights can be transferred from one player to another without the need for a third-party license server, with requests and responses being transmitted to and from a first and second content player, and usage rights being activated or deactivated using digital licenses with status indicators. The features of claims 1 – 69 do not appear in any single application or patent published before the earliest priority date of the claims.